SUPREME COURT, U.S.
FILED
JUN 26 1992
OFFICE OF THE CLERK

No. 91-1808

IN THE

Supreme Court Of The United States

OCTOBER TERM, 1991

GENCOR INDUSTRIES, INC.,

Petitioner,

v.

STANDARD HAVENS PRODUCTS, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITIONER'S REPLY TO BRIEF IN OPPOSITION

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June 26, 1992

Balmar Legal Publishing Services, Washington, D.C., (202) 682-9800

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In its opposition brief, Standard Havens admits that it urged two theories to the jury, and does not challenge this Court's rule that a general verdict must be vacated if multiple theories (at least one of which was legally erroneous) were presented to the jury. Instead, Standard Havens attempts to circumvent the rule and to excuse the Federal Circuit's failure to follow the rule by mischaracterizing its two theories as "factual" theories. Standard Havens' first theory, however, was predicated upon an erroneous interpretation of the claims of its patent — an acknowledged question of law.[1] A theory so flawed can only be viewed as a legal theory, and falls squarely within the rule of *Maryland v. Baldwin*, 112 U.S. 490 (1884). Thus, after the Federal Circuit

[1] *See Coupe v. Royer*, 155 U.S. 565, 579 (1895) ("the court defines the patented invention as indicated by the language of the claims") (*quoting* 3 Robinson, *The Law of Patents for Useful Inventions* § 1075 (1890)); *Winans v. Denmead*, 56 U.S. 330, 337 (1853) (the scope of the patent "is a question of law, to be determined by the court"); *Key Mfg. Group, Inc. v. Microdot, Inc.*, 925 F.2d 1444, 1448 (Fed. Cir. 1991) ("claim interpretation is a question of law"); *Intervet American, Inc. v. Kee-Vet Lab.*, Inc., 887 F.2d 1050, 1053 (Fed. Cir. 1989) ("interpreting the scope of claims is a question of law").

rejected Standard Havens' claim interpretation, it was bound by this Court's precedent to vacate the judgment and remand.

Gencor challenged the validity of Standard Havens' patent (the Hawkins patent) on the ground that it covered subject matter described years earlier in the Hepburn patent. When the validity of a patent is challenged on the ground that the scope of the patent covers old or obvious subject matter, the first step in the analysis is to interpret the claims. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1567-68 (Fed. Cir.), *cert. denied*, 481 U.S. 1051 (1987). The claims then are compared to the old or obvious subject matter. *Id.* at 1570. If the claims cover old or obvious subject matter, the patent is invalid. *Id.* at 1566. If an error is made in the interpretation of the claims, however, the entire analysis is faulty. *Id.* at 1576.

Standard Havens has admitted that it defended the validity of the Hawkins patent by urging two theories to distinguish its patented invention from the Hepburn patent, the first of which Standard Havens describes as follows:

> 1. that the Hawkins device differed from the Hepburn device because the Hawkins device pipes air for combustion to the burner in such a manner that it bypasses the mixing zone while in the Hepburn device a fan blows air through the mixing zone on its way to the burner

(SH Br. 2). This theory required a claim interpretation that limited the Hawkins patent to a device that "pipes air for combustion to the burner in such a manner that it bypasses the mixing zone." Otherwise, the differences urged by Standard Havens were not probative.

Gencor did not dispute the fact that the Hepburn patent did not disclose such pipes and instead disclosed a fan that blows air through the mixing zone. Nor did Gencor dispute the fact that the Hawkins patent discloses an *example* of the invention

in which air for combustion is piped to the burner. Gencor, however, did dispute whether the *claims* of the Hawkins patent were so limited.[2] Thus, Gencor did not dispute Standard Havens' factual theory — it disputed Standard Havens' legal theory.

The district court judge accepted Standard Havens' first theory because it accepted Standard Havens' claim interpretation, stating in his denial of the JNOV motion:

> [U]nlike the Hawkins process, the airstream supplying the burner [in the Hepburn patent] flows unrestricted through the missing [sic, mixing] zone.

(A52). Presumably, Standard Havens persuaded the jury on the same grounds.

By Standard Havens' own admission, however, the Federal Circuit rejected Standard Havens' first theory:

> [T]he court of appeals concluded that a jury could not have found that Hepburn did not anticipate Hawkins merely because the Hawkins device pipes air for combustion to the burner in such a manner that it bypasses the mixing zone while in the Hepburn device a fan blows air through the mixing zone on its way to the burner.

(SH Br. 4-5). The reason that the Federal Circuit rejected this theory is that the Federal Circuit found that Standard Havens' claim interpretation was erroneous, stating:

> But, says Gencor, there is no limitation stated in the '938 patent claims of "isolating air flow from the mixing zone." We agree with Gencor on that. Though a key aspect of Hawkins' invention may be

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[2] "It is the claims that define the claimed invention.... [P]articular embodiments and examples appearing in the specification will not generally be read into the claims." *Constant v. Advanced Micro-Devices, Inc.*, 848 F.2d 1560, 1571 (Fed. Cir.), *cert. denied*, 488 U.S. 892 (1988).

> to direct the airflow through the secondary and primary tubes instead of through the mixing zone, the '938 patent does not contain that limitation.

(A13).

Thus, the Federal Circuit rejected Standard Havens' theory not because it was premised on erroneous or unsupported facts (a deficient factual theory), but because it was premised on an improper interpretation of the claims of the Hawkins patent (an erroneous legal theory). Moreover, once Standard Havens made this fundamental error, Standard Havens' entire analysis under its first theory became legally flawed.

The reason for distinguishing multiple factual theories and multiple legal theories presented to a jury is that a jury is better equipped to handle multiple factual theories. If there is no evidence to support a factual theory, presumably the jury will ignore it. A jury is unlikely, however, to ignore a theory flawed in law — such as an erroneous claim interpretation. A jury is not equipped to recognize such a flaw. In this case, the jury was not asked to determine whether the facts supported Standard Havens' first theory — those facts were undisputed. The jury was asked to apply the undisputed facts to Standard Havens' legal theory of the claims — a task that it could not fairly perform given Standard Havens' erroneous claim interpretation.

In short, the first theory urged by Standard Havens was clearly a legal theory. As a result, the Federal Circuit's disposition of the appeal should have been controlled by the cases cited in Gencor's Petition, and the Federal Circuit should have vacated the judgment and remanded for a new trial.

In view of the complexity of patent cases, the increasing number of patent cases tried before juries, and the frequency with which district courts decline to use special interrogatories in favor of general verdicts, the Federal Circuit's failure to follow this Court's precedent is a matter of enormous impact to

the patent bar, to the district courts, and to industry and commerce generally. Accordingly, Gencor respectfully requests that the Court grant its petition for writ of certiorari.[3]

Respectfully submitted,

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[3] Standard Havens also suggests that Gencor's Petition should be denied because the record is not fully developed. Gencor submits that the record is amply developed because the Federal Circuit plainly rejected one of the legal theories urged by Standard Havens. If this Court concludes that it lacks an adequate explanation for the basis of the Federal Circuit's judgment, however, Gencor requests that the Court remand the case for further consideration as it did in *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809 (1986).